



COMMISSION NEWS

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FEAR OF WAR, TERRORISM COULD BE EXPLOITED BY CON ARTISTS

PHOENIX – With the U.S. on the brink of war with Iraq and heightened warnings of terrorism at home, investors should not make panicky financial decisions, state securities regulators advised today. They also repeated warnings, issued in the wake of the September 11 attacks and at the height of concerns about Year 2000 computer glitches, to beware of con artists seeking to capitalize on fear and uncertainty.

“Our economy is the world’s largest and most productive, our markets the most open, transparent and best regulated,” said Marc Spitzer, Chairman of the Arizona Corporation Commission and one of five state securities regulators. “Beware of high-pressure pitches for non-traditional investments such as strategic metals, foreign currency, oil and gas investments or tiny companies that supposedly have products or technology to combat chemical or biological terrorism or whatever else is in the headlines.”

In the wake of the September 11 attacks, state and federal securities regulators warned about and took action against promoters of companies touting anthrax detectors and “revolutionary” security-enhancing technologies. In the run-up to Y2K, state regulators said hucksters tried to exploit fears to sell investments in precious metals, emergency preparedness scams and phony technology companies.

Spitzer urged investors to:

- Hang up on aggressive cold callers promoting “safe” investments such as precious metals, oil and gas schemes and to ignore tips about tiny companies with new anti-terrorist technologies or products.
- Contact the Commission to check that both the seller and the investment are licensed and registered. If they aren’t, don’t invest. Investors can contact the Arizona Corporation Commission’s Securities

Division at 602-542-4242, toll free outside the Phoenix Metropolitan Area at 1-877-811-3878. The Division's website also has helpful information for investors: www.ccsd.cc.state.az.us.

- Request written information about any investment; carefully review it or ask your financial adviser to evaluate it.
- Use common sense. Pie-in-the-sky promises are usually signs of investment fraud.

“My fellow Commissioners and I, with the help of our capable staff, will be on the lookout for companies or individuals who seek to exploit fear while they get rich,” Chairman Spitzer said. “Anyone even considering committing investment fraud in this state should check our record of enforcement and think twice! We have aggressively enforced the law to ensure that con artists and frauds don’t get away with it and we will continue to bring these folks to justice.”

News releases describing recent cases and summarizing the Commission's enforcement are available on line at www.ccsd.cc.state.az.us.

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